GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2875
ANSWERED ON:22.08.2006
BUSINESS PROCESSING ORGANISATION .
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether India has bagged the biggest outsourcing deals during the current year;

(b) If so, the extent of outsourcing bagged by Indian BPOs this year and during 2005 and 2004 respectively;

(c) The steps taken/proposed to be taken by the Government to boost up this trade;

(d) Whether any policy has been laid down in this regard;

(e) If so, the details thereof;

(f) Whether any shift in the focus of outsources has lately been noticed; and

(g) If so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a): As per NASSCOM, the share of large contracts won by Indian service providers has increased from 1% in 2003 to 5% in the first half of 2006. Some of the recent big deals have been won by M/s. Hindustan Computers Limited, Infosys, Satyam, TCS and Wipro.

(b) The total value of Information Technologies Enabled Services (ITES) − Business Process Outsourcing (BPO) exports, as available, is as under:-

(i) 2004-2005 US $ 5.2 billion

(ii) 2005-2006 US $ 6.3 billion

(c) to (e): The Government has taken various steps to promote the growth of IT Software and Services Industry, such as: approvals for all foreign direct investment proposals relating to IT Sector are put under the automatic route, peak rate of customs duty has been reduced, customs duty on Information Technology Agreement (ITA-1) items has been abolished, Special Economic Zones (SEZs) are being set up, Income-Tax exemption on export profits is allowed to Software Technology Parks (STPs)/Export Oriented Units (EOUs) etc.

(f) & (g): No shift in focus is reported by NASSCOM. This sector is growing at the rate of 40% on year to year basis.